GENERAL

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1. UK pressing France to increase Bao Dai's authority—US Embassy London reports that, according to a Foreign Office official, the UK is informing the French Government of its opinion that France has failed to take even immediately feasible steps toward increasing Bao Dai's international prestige. The French are being informed that failure to establish a separate ministry for Indo—China and to turn over the Saigon palace to Bao Dai has made it difficult for the UK to explain the French position to India and other Asian nations. The UK is adding that it has been hoping for a suitable occasion to announce the elevation of the UK Consulate General in Saigon to Legation status.

25X1

EUROPE

2. GERMANY: Adenauer's illness causes concern—US High Commissioner McCloy in Germany reports that Chancellor Adenauer's continued serious illness has created recurrent doubts among Germans and others as to the power of the Government to survive without serious results should Adenauer be incapacitated. McCloy comments that the fact that much top-priority government business is now at a standstill is a spectacular demonstration of the extent to which Adenauer has converted the Federal Government into a "one-man show".

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3. RUMANIA: Warning of break in relations proposed—
The US Legation in Bucharest, submitting its views concerning serious restriction on Legation communications occasioned by Rumania's recent refusal of visas for US diplomatic couriers, believes it likely that the Rumanian Government is determined to break relations but is doing so by means of "slow strangulation," in order to damage US prestige as much as possible in the process. The Legation suggests for consideration that the US warn Rumania implicitly that it must suspend relations unless the visa difficulties are cleared up. The Legation observes that if concessions are made, its position will be somewhat improved; if not, the US will at least be saved from a long period of "compounded humiliations".